

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 358 – SB 915**

April 1, 2009

**SUMMARY OF BILL:** Requires the University of Tennessee (UT) Institute of Agriculture to administer as a pilot project an incentive program for graduates of the UT College of Veterinary Medicine who wish to locate their veterinary practices in underserved rural Tennessee communities. The incentive program will be known as the Tennessee Rural Veterinary Services (TRVS) Program.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$5,000/One-Time**  
**\$237,100/FY09-10**  
**\$415,700/FY10-11**  
**\$594,400/FY11-12**  
**\$773,100/FY12-13**  
**\$952,200/FY13-14**  
**and Subsequent Years**

**Assumptions:**

- According to UT, the amount of the incentive award to be established is \$35,000. The award will be given to each veterinarian once a year for five years and will increase to 25 awards over five years.
- Recipients of these funds must agree to practice veterinary medicine full-time in an underserved rural area of Tennessee for at least five years.
- No more than five recipients of the incentive award will be selected in an academic year.
- The number of students participating in the program at any given time is estimated to be small.
- Private funds and state appropriations may be used to fund the program. Unused funds will not revert to the general fund but will be used for future student incentive awards.
- The availability of incentive awards will be subject to the appropriation of funds in each year's general appropriation act.
- According to UT, program costs include 30 county assessments to be conducted annually, 10 in each of the grand divisions of the state. Ten

of the county visits will require overnight stays with three meal per diems for each overnight stay.

- In addition, twenty-five participant assessments will be conducted annually, eight in each of the three grand divisions of the state. Eight of the county visits will require an overnight stay, with three meal per diems for each overnight stay and one meal for day trips.
- Program costs in year one are estimated to be \$237,100 for program administrator salary and benefits (\$52,000); county assessments (\$8,510); participant assessments (\$1,532); office supplies (\$100); and participant awards (\$175,000).
- Program costs in year two are estimated to be \$415,700 for program administrator salary and benefits (\$53,560); county assessments (\$8,766); participant assessments (\$3,258); office supplies (\$103); and participant awards (\$350,000).
- Program costs in year three are estimated to be \$594,400 for program administrator salary and benefits (\$55,167); county assessments (\$9,028); participant assessments (\$5,087); office supplies (\$106); and participant awards (\$525,000).
- Program costs in year four are estimated to be \$773,100 for program administrator salary and benefits (\$56,822); county assessments (\$9,299); participant assessments (\$6,914); office supplies (\$109); and participant awards (\$700,000).
- Program costs in year five are estimated to be \$952,200 for program administrator salary and benefits (\$58,526); county assessments (\$9,578); participant assessments (\$8,957); office supplies (\$119); and participant awards (\$875,000).
- Estimated one-time cost of \$5,000 in year one for office furniture and equipment.
- UT is authorized to promulgate rules and is required to report to the General Assembly by February 15, 2010, and each year thereafter its findings concerning the overall performance and success of the program.
- Any cost to UT can be accommodated within existing resources without an increased appropriation or reduced reversion.

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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